

## **Capitalism: The most recent 71 years (for example/includes references to refrigerators)**

Patrick Neveling

Visiting Fellow, Institute for European Global Studies, University of Basel; Associate Researcher, Historical Institute, University of Bern

[neveling@hist.unibe.ch](mailto:neveling@hist.unibe.ch)

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Abstract:

This paper makes two critical but related moves: it rejects the common periodising of capitalism’s historical trajectory in anthropology and the social sciences which sees the postwar period until 1973 or so as a fordist one that then gets dismantled by neoliberalism; and it critiques the long run anthropological opposition of gifts and markets. Together, these criticisms hint at false conceptual oppositions, mythic timing, and underlying this a deficient analytic and historical understanding of capitalism, which is a much more contradictory and patchwork-like socio-historical phenomenon, than recent theorizing has submitted.

The paper offers two case studies of critical historical local/global events in the year 1942. The “New Guinea Campaign” in World War II devastated those islands. “Operation Bootstrap” turned Puerto Rico’s into the first neoliberal export-oriented development hotspot to advertise U.S.-dependent capitalism to the rest of the world. While Peter Worsley’s work considered the New Guinea Campaign’s impact on exchange, anthropological depictions of non-capitalist gift exchanges ignore this. My own research on Operation Bootstrap as neoliberal motor for global labour exploitation and tax-avoidance in Export Processing Zones contradicts the periodisation from Fordism to neoliberalism. Calling for more such basic research on capitalism beyond the idea of clearly distinguishable, sequential modes of production, I suggest a different perspective on the past 71 years and beyond.

Keywords: Papua New Guinea, Capitalism, Worsley, Puerto Rico, Export Processing Zone, History

On November 1 1950, two Puerto Rican males tried to shoot their way into the provisional White House in Washington aiming to kill President Harry S. Truman. Allegedly, the assassins were members of the Puerto Rican Nationalist Party, an underground resistance movement opposed to U.S. colonialism on that Caribbean island and portrayed by a subsequent report to the U.S. House of Representatives Committee on Interior and Insular Affairs as “a handful of independence fanatics [...] replete with terror“, supported by the U.S. Communist Party.

Political action beyond violent prosecution of communists and nationalist was not considered necessary. The report stated that “[i]t is a historical fact that communism thrives where people are hungry and unemployed“. This meant that the Puerto Rican local government had served a „deadly blow [...] to the collectivist colossus of Moscow“ with „Operation Bootstrap“, an „intelligent and scientific application of a tax incentive program“ that had increased employment numbers and tripled the value of production and services within few years.<sup>1</sup>

That Puerto Rican tax incentive program was actually the world’s first export processing zone (EPZ). Establishing the first zone in Puerto Rico around 1947 was not an accidental event in global history but triggered the first in a series of concise campaigns to spread the EPZ concept globally. Mainly developing nation-states have established and continue to establish such zones hoping to attract foreign direct investment. In EPZs, capital investment, employment and foreign exchange earnings potentially move from industrially advanced countries to developing countries. As EPZs have become central in global light-industrial manufacturing with around 70 million workers in 3.500 EPZs in more than 130 countries in the 2000s, the global spread of these zones and the relocations of manufacturing going along with this have a strong impact on the making of space, time and world-views.<sup>2</sup>

Around the same time as the world’s first EPZ was established, a particular kind of political-economic movements was widespread in New Guinea. Whereas the events in Puerto Rico and Washington received little attention from anthropologists, the New Guinean movements made for popular studies among contemporaries and have since become a central trope of anthropological endeavors to explain the very essence of being human. A volume edited by Holger Jebens in 2004 seeks to have a final word on the so-called Cargo Cults. Presented in a

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<sup>1</sup> For a detailed account of the Puerto Rican Zone in light of Cold War policies see: Neveling, P. (in preparation). Manufacturing development: Export processing zones and the political economy of the Cold War. Negotiating independence: New directions in the history of decolonisation and the Cold War. L. James and E. Leake. London, Bloomsbury.

<sup>2</sup> See also: Neveling, P. (forthcoming). Global Class Formation and Export Processing Zones. Anthropologies of Class: New perspectives on inequality. J. Carrier and D. Kalb. Cambridge, CUP: 177-196.

typical postmodernist/postcolonial jargon, the debate is whether or not the terminology Cargo Cult merely serves Western narcissism as it projects the desires of Western consumer culture on New Guineans.<sup>3</sup>

In the following, I will show that the developments in New Guinea in the 1940s and 1950s can be understood better if we consider them as much as part of a global restructuring of capitalism as we would understand developments in Puerto Rico at the same time.

In his 1957 classic, The Trumpet Shall Sound, Peter Worsley has dealt *in extensio* with Melanesian Cargo Cults, which he calls „Millenarian movements“. Worsley had been denied a research permit for Melanesia because of his membership in the British Communist Party and his affiliations with Kenyan and other anti-colonial movements during his services in the British Army in World War II. So he chose to study accounts of millenarian movements in the colonial period and contemporary writings on the resurgence of these movements in the late 1930s and throughout the 1940s. Unlike many other anthropologists of his time, Worsley analyzed how movements in the New Hebrides and on Papua itself were connected to regional integration into global capitalism. Worsley labelled the movements' ideological references as „muscular Christianity“ because those passages from the bible were selected that promised the millennium in the here and now rather than in the afterlife.<sup>4</sup>

Worsley relates initial, nineteenth century millenarian movements to the spread of capitalist wage labour, often this went along with coerced migration, population decline and economic plight. All of these are common phenomena for that period of capitalist history when slavery was replaced with indentured labour and the establishment of commodity exchanges in Chicago, for example, changed global capitalism along with other factors such as the telegraph, steamships and the ultimate victory of centrist-liberalism. As elsewhere, the first two decades of the twentieth century were a period of consolidation in Melanesia but with the onset of the long crisis in the 1930s, and further fueled by the Second World War millenarian movements gained new prominence.

In the following I will present a digest of the features of these movements taken from Worsley's work. Other than him I will conclude though that for anthropological engagement with capitalism we need an analysis of Melanesian millenarian movements that is less concerned with partial criticism of colonial policies but rather concerned with the fact that

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<sup>3</sup> Jebens, H. (2004). Cargo, cult, and culture critique. Honolulu, Univ. of Hawai\* Press.

<sup>4</sup> Worsley, P. M. (1957). The Trumpet shall sound. A study of 'cargo' cults in Melanesia. [With plates.]. London, MacGibbon & Kee. p. 137.

such movements were explicitly pro-capitalist, promoting super-exploitation and inequality. The leaders' interests were mainly in criticizing an insufficient integration into global capitalism.

Initial to all movements were proclamations that foreigners would come and bring riches and liberation from colonial rule. But other than in Marshall Sahlins' account of the death of Captain Cook at the hands of Hawaiians Worsley does not find mythical stories with accidental matches in real world events. Instead, Melanesians reacted to news, however imprecise, of the attack on Pearl Harbor or of the German occupation of the Netherlands.<sup>5</sup> Similarly there were rumors about Japanese or U.S.-American troops landing in the near future.

Global warring was reflected in social structures as many movements organized in military fashion. In one case there existed „...the equivalents of generals, high-ranking officers, lieutenants and privates, the last being known as ‘apprentices’. Even ‘doctors’ were appointed, together with ‘ministers’ and ‘radio telegraphists’ for the ‘radio stations’. (...) Special agents made note of non-cooperators and arrested hostile elements (...).“<sup>6</sup>

The movements' leaders showed awareness of the means of arrival of the supposed saviors; the construction of airstrips and docks was common. The John Frum movement in Tanna even sought to build an aerodrome.<sup>7</sup> Furthermore, technology transfer and other notions of progress that would be central to the doctrine of capitalist development emerging in U.S. foreign policy only after 1945 ranked high on Melanesian millenarian agendas. A movement in Biak not only set up a secret service apparatus but also proclaimed the acquisition of Dutch, English and Chinese language skills as one way out of misery.<sup>8</sup> The „miraculous coming of a factory“ was another prophecy that gained popularity already in the 1930s, at a time when much of New Guinean rubber and copra production was hit hard by the global crisis.<sup>9</sup> The frequent occurrence of demands for higher wages is another indication why the label „Cargo Cults“ is highly misleading. These movements were as much about relations in production as they were about consumption.

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<sup>5</sup> See Ibid. p. 156 for Pearl Harbor, p. 139 for German occupation of Netherlands,

<sup>6</sup> Ibid. p. 141.

<sup>7</sup> Ibid. p. 158.

<sup>8</sup> Ibid. p. 141, also p. 145.

<sup>9</sup> More recent research relates the plight of Melanesian rubber producers also to the International Rubber Regulations Act. This act was supposed to solve the repercussions of the global crisis of the 1930s for the rubber industries. See: Dove, M. R. (1996). "Rice-Eating Rubber and People-Eating Governments: Peasant versus State Critiques of Rubber Development in Colonial Borneo." *Ethnohistory* 43(1): 33-63.

The fact that Melanesian movements addressed issues of global integration is further evidenced in widespread populist anti-capitalism of the right-wing kind. Chinese shops were looted and their owners killed. Elsewhere, deliberate over-accumulation saw „long-hoarded savings [hurled] into the sea“ and shopping orgies believing that once all money was spent European traders would have to return home.<sup>10</sup>

An offshoot of the above mentioned John Frum movement in Malekula shall serve as my concluding example for this section. The decline of Copra production during the war years did not trigger invocations of supernatural powers. Instead, a company producing and marketing copra was founded and framed as a cooperative. The leading figures in this were larger landowners, though. Europeans facilitated integration into global copra chain and used this position to cook the books and divert income into their own pockets. After the end of World War II that movement radicalized as now „(...) former members of the New Hebrides Defense Corps [imposed] quasi-military discipline over the workers“. Recruitment of workers was by force, similar to colonial blackbirding.<sup>11</sup>

My summary has already indicated that a reconsideration is needed if we want to incorporate these Melanesian movements into a future canon for an anthropology that engages critically with global capitalism. Furthering this, I will summarize and dismiss postmodernist critiques of Worsley's work before moving on to relate Melanesian movements to the changing politics of development that emerged during the long, 1930s to 1950s crisis of global capitalism.

Lamont Lindstrom has possibly been the most vocal postmodernist on Melanesian millenarian movements. One of his central concerns is that the „Cargo“ supposedly central in those „cults“ is not what Melanesians actually wanted but Westerners thought they should want. In this vein, he identifies a 1950s movie by Richard Attenborough as "one of the originating moments of the ubiquitous refrigerator on cargo manifests."<sup>12</sup> Lindstrom implies then that Melanesians could not possibly have desired refrigerators but that such machines are „(...) both metonym of technological progress and the focus of family sociability and commensalism“ in Western industrially advanced countries. The only concession that Lindstrom makes is that certain pariah groups in Melanesian are driven by an „entrepreneurial

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<sup>10</sup> Worsley, P. M. (1957). *The Trumpet shall sound. A study of 'cargo' cults in Melanesia. [With plates.]*. London, MacGibbon & Kee. p. 154-5.

<sup>11</sup> Ibid. p. 162.

<sup>12</sup> Lindstrom, L. (2004). Cargo cult at the Third Millenium. *Cargo, cult, and culture critique*. H. Jebens. Honolulu, Univ. of Hawai\* Press: 15-35. p. 23.

desire for fridges“ that would allow them to market cold drinks.<sup>13</sup> In light of what I have said above, Lindstrom is not entirely on the wrong track here. For indeed, Melanesian millennialism was not about an eternal desire for conspicuous consumption. But this was not because the locals wanted to stick to gift economies as much of economic anthropology wants to make us believe. Instead, local elites wanted a more advanced integration into global capitalism. This can be argued not least for the case of refrigerators.

In my research on the changing integration of Mauritius into the capitalist world system I came across natives that were even worse: In 1959, the economist James Edward Meade was appointed by the British Colonial Office to find ways for diversifying the Mauritian economy so that the island could sustain itself without changing existing class divisions. Interested in Mauritians' ideas for overcoming economic plight he placed ads in local newspapers and invited comments. Among the 137 written answers received was one detailed memorandum from a company called Happy World Limited. This company was capitalized at Rs 500.000 and wanted a lot more than fridges. They were planning to convert an entire building into a deep freezing and cold storage unit and had already sent one staff member to the UK to obtain a university diploma and practical training for this purpose.<sup>14</sup>

There is then, obviously, more to desire for cold storage on the household and retail level than Lindstrom's critique allows for. But it is not only the postmodernist turn that is to blame here. Worsley's writings advanced anthropology in important ways. Malinowski, for example, had nothing to say about the impact of plantations, blackbirders and forced or free capitalist labour migration but wanted to excavate the lost world of honorable European aristocracy of the Middle Ages by studying the Trobriand kula. Comparison to such ventures, Worsley's Melanesian millenarists are rather forward looking as he points out how many such movements turned nationalist after World War II. The problem with this analysis is not its evolutionary side but that Worsley implicitly established an equation of nationalism with anti-capitalist resistance without considering that being against one form of imperialism does not equal an outright rejection of capitalism. Once we drop this notion, Worsley's work provides

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<sup>13</sup> Ibid. p.24.

<sup>14</sup> Happy World Ltd. (1960). Memorandum, Part I, to Economic Survey Mission/James Edward Meade. Meade Collection. London, London School of Economics. **Meade 5/8: 1.**

excellent material for a critical anthropological engagement with global capitalism and local collaboration.

This is evidenced if we compare the spread of one of present-day capitalism's central organizational principle, that of the special economic zone and export processing zone, with millenarian movements. The establishment of the Puerto Rican EPZ after 1942 provides important parallels to practices of Melanesian movements. In 1942, in the same year when the U.S. Army started its New Guinea campaign, the Puerto Rican local government contracted the Boston-based consulting company Arthur D. Little to study how the island's economic prospects could be raised. The outcome of this was not only the beneficial tax regime mentioned in the opening of this paper. Crucial to a shift towards export-oriented development in Puerto Rico was the sale of government-owned factories to U.S. mainland investors at low prices, the promotion of Puerto Rico as a tax haven for manufacturing with mainland tariffs and so forth. Similar to millenarian movements, the Puerto Rican EPZ-regime and the replicas of this regime that continue to surface around the world until this day promise the miraculous coming of factories that are, actually, built with loans from the World Bank or against concessions to multinational corporations.

Movements in Melanesia sought to make their dreams of progress and wealth come true by building infrastructure like runways, docks or even aerodromes. In similar ways, the airport in Shannon, Ireland, and the container harbor in Kaohsiung, Taiwan, were built or extended and equipped with export processing zone regimes to attract foreign trade and investors.<sup>15</sup> When Mauritius set up an export processing zone in 1970, the promise was no less than the eradication of widespread poverty and the creation of 130.000 jobs within a decade. Only 20.000 jobs saw the light of day and this is already an exceptional result compared with other EPZs.<sup>16</sup> The Kandla Foreign Trade Zone, set up in Western India in 1965, was supposed to bring business to the Kandla Container Harbor, constructed at huge expense by the Nehruvian state in the early 1950s and intended as a veritable competitor to Karachi. But even in the boom economy of 1990s India, Kandla harbor and the Kandla EPZ were no hotspots of

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<sup>15</sup> Neveling, P. (forthcoming). Global Class Formation and Export Processing Zones. Anthropologies of Class: New perspectives on inequality. J. Carrier and D. Kalb. Cambridge, CUP: 177-196.

<sup>16</sup> See Neveling, P. (forthcoming). Flexible Capitalism and Transactional Orders in Colonial and Postcolonial Mauritius: A Post-Occidentalist View. Flexible Capitalism: Exchange and Ambiguity at Work. J. Kjaerulf. Oxford, Berghahn.

regional development.<sup>17</sup> So what is it that makes the establishment of such zones so prominent a feature in global capitalism?

Like the Melanesian movements such zones commonly serve the interests of established elites whose legitimacy rests on keeping alive the gospels of prosperity.<sup>18</sup> Often, EPZ regimes trigger millenarist movements themselves. The Subic Bay EPZ in the Philippines, for example, was built on an abandoned U.S. army airbase. Richard Gordon, who ran the zone, established a military style regime forcing job seekers to work several months without wages in order to qualify for employment. Radio features of the German journalist Karl Roessel tell of a Subic Bay zone workforce that had to wear T-Shirts praising Gordon and that had to participate in regular street parades praising Gordon, EPZ factory managers and investors.

This example is not to say that ours is a time of capitalism's second coming, millennial capitalism as the Comaroffs have coined it.<sup>19</sup> This would be tautological as capitalism was and is always millennial. Rather, the timing of the global spread of EPZs starting in the 1940s shows that this matched well with movements such as those in Melanesia. These movements were only seemingly opposed to capitalism and are better understood as resistance to a particular type of integration into global capitalism. What was served in response to such movements were rather empty promises of development, an ideology that Giovanni Arrighi has labelled the „global new deal“. <sup>20</sup> The rise of EPZs in the 1940s and of Foreign Trade Zones in the U.S. in the New Deal era alongside with the violent crackdown on labour and the streamlining of the capitalist business community indicates that an anthropology that engages critically with capitalism might consider the period of the 1930s to the 1950s as a global crisis of capitalism out of which emerged a restructuring that is ongoing and coming full circle in the present.<sup>21</sup> Many movements that opposed the older imperial powers of the era before 1930 have made strong contributions to capitalism's successful restructuring and should be analyzed along these lines.

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<sup>17</sup> Neveling, P. (2014, online first 2013). "Structural contingencies and untimely coincidences in the making of neoliberal India - The Kandla Foreign Trade Zone, 1965-1991." Contributions to Indian Sociology **48**(1): 17-43.

<sup>18</sup> Landsberg, M. (1979). "Export-Led Industrialization in the Third World: Manufacturing Imperialism." Review of Radical Political Economics **11**(4): 50-63.

<sup>19</sup> Comaroff, J. and J. L. Comaroff (2001). Millennial capitalism and the culture of neoliberalism. Durham, N.C., Duke University Press.

<sup>20</sup> Arrighi, G. (1997). "Capitalism and the modern world-system: rethinking the non-debates of the 1970s." Retrieved 25.04., 2008, from <http://fbc.binghamton.edu/gaasa96.htm>. pp. 247-8.

<sup>21</sup> For an extension of this argument see: Neveling, P. (forthcoming). The Global Spread of Export Processing Zones and the 1970s as a decade of consolidation. Changes in Social Regulation – State, Economy, and Social Protagonists since the 1970s. K. Andersen, S. Müller and R. Richter. Oxford, Berghahn.



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